

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC

(Investigation 332-438)

U.S.-Taiwan FTA: Likely Economic Impact of a Free Trade Agreement (FTA) Between the United States and Taiwan

AGENCY: United States International Trade Commission

ACTION: Institution of investigation and scheduling of public hearing.

EFFECTIVE DATE: February 4, 2002

SUMMARY: Following receipt of a request on January 17, 2002, from the Senate Committee on Finance (Committee), the Commission instituted investigation No. 332-438, *U.S.-Taiwan FTA: Likely Economic Impact of a Free Trade Agreement (FTA) Between the United States and Taiwan*, under section 332(g) of the Tariff Act of 1930 (19 U.S.C. 1332(g)), to assess the likely impact of a free trade agreement between the United States and Taiwan. As requested by the Committee, the Commission plans to submit its report by October 17, 2002.

As requested by the Committee, in its report the Commission will provide to the extent possible:

- A general overview of the Taiwan economy;
- An overview of the current economic relationship between the United States and Taiwan, including a discussion of the important industry sectors in each;
- An inventory and analysis of the barriers (tariff and nontariff) to trade between the United States and Taiwan;
- A dynamic, as well as a static, analysis of the economic effects of eliminating all quantifiable trade barriers (tariff and nontariff), with special attention to agricultural goods, on:
 - the volume of trade in goods and services between Taiwan and the United States;
 - sectoral output and gross domestic product for Taiwan and the United States;
 - wages and employment across industry sectors for each; and
 - final prices paid by consumers in Taiwan and the United States
- A qualitative assessment of the effects of removing nonquantifiable trade barriers

FOR FURTHER INFORMATION CONTACT: Information may be obtained from Soamiely Andriamananjara, Project Leader (TEL: 202-205-3252; EMAIL: soamiely@usitc.gov), Office of Economics, or Jennifer Baumert, Deputy Project Leader (TEL: 205-3450; EMAIL: jbaumert@usitc.gov), Office of Industries, U.S. International Trade Commission, Washington, DC, 20436. For information on the legal aspects, contact William Gearhart (TEL: 202-205-3091; EMAIL: wgearheart@ustic.gov), Office of the General Counsel. The media should contact Peg O'Laughlin, Public Affairs Officer (TEL: 202-205-1819). Hearing impaired individuals are advised that information on this matter can be obtained by contacting the TDD terminal on (202) 205-1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202-205-

2000. General information concerning the Commission may also be obtained by accessing its Internet server (<http://www.usitc.gov>). The public record for this investigation may be viewed on the Commission's electronic docket (EDIS-ON-LINE) at <http://dockets.usitc.gov/eol/public>.

BACKGROUND: In its letter to the Commission, the Committee noted that other major trading nations are moving to conclude preferential trade arrangements that favor their own industries. The Committee also stated that the recent accession of Taiwan to the WTO will strengthen its role in the multilateral trading system, and that Taiwan has one of the most rapidly developing economies in the Asia Pacific region.

PUBLIC HEARING: A public hearing in connection with the investigation will be held at the U.S. International Trade Commission Building, 500 E Street SW, Washington, DC, beginning at 9:30 a.m. on May 13, 2002. All persons shall have the right to appear, by counsel or in person, to present information and to be heard. Requests to appear at the public hearing should be filed with the Secretary, United States International Trade Commission, 500 E Street SW, Washington, DC 20436, no later than 5:15 p.m., April 30, 2002. Any prehearing briefs (original and 14 copies) should be filed no later than 5:15 p.m., May 7, 2002; the deadline for filing post-hearing briefs or statements is 5:15 p.m., May 23, 2002. In the event that, as of the close of business on April 30, 2002, no witnesses are scheduled to appear at the hearing, the hearing will be canceled. Any person interested in attending the hearing as an observer or nonparticipant may call the Secretary of the Commission (202-205-1806) after April 30, 2002, to determine whether the hearing will be held.

WRITTEN SUBMISSIONS: In lieu of or in addition to participating in the hearing, interested parties are invited to submit written statements (original and 14 copies) concerning the matters to be addressed by the Commission in its report on this investigation. Commercial or financial information that a submitter desires the Commission to treat as confidential must be submitted on separate sheets of paper, each clearly marked "Confidential Business Information" at the top. All submissions requesting confidential treatment must conform with the requirements of section 201.6 of the Commission's Rules of Practice and Procedure (19 C.F.R. 201.6). All written submissions, except for confidential business information, will be made available in the Office of the Secretary of the Commission for inspection by interested parties. The Committee has requested that the Commission prepare a public report (containing no confidential business information). Accordingly, any confidential business information received by the Commission in this investigation and used in preparing the report will not be published in a manner that would reveal the operations of the firm supplying the information. To be assured of consideration by the Commission, written statements relating to the Commission's report should be submitted to the Commission at the earliest practical date and should be received no later than the close of business on May 23, 2002. All submissions should be addressed to the Secretary, United States International Trade Commission, 500 E Street SW, Washington, DC 20436. The Commission's rules do not authorize filing submissions with the Secretary by facsimile or electronic means.

LIST OF SUBJECTS: Taiwan, International Trade, Free Trade Agreement, Tariffs, and Non-Tariff Barriers.

By order of the Commission.

Marilyn R. Abbott
Acting Secretary

Issued: February 5, 2002